

TEEKAY OFFSHORE PARTNERS L.P.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands of U.S. dollars)

Three Months Ended September 30, 2008
(unaudited)

	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Income from vessel operations	21,903	11,412	4,033	37,348
Depreciation and amortization	22,880	5,636	5,526	34,042
Unrealized losses from the change in fair value of foreign exchange forward contracts	583	-	-	583
Amortization of drydock expenditures on in-chartered vessel	175	-	-	175
Amortization of deferred gain	(105)	-	-	(105)
Cash flow from vessel operations ⁽¹⁾	45,436	17,048	9,559	72,043

Three Months Ended June 30, 2008
(unaudited)

	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Income from vessel operations	21,617	11,243	1,913	34,773
Depreciation and amortization	23,168	5,718	7,561	36,447
Unrealized gains from the change in fair value of foreign exchange forward contracts	(648)	-	-	(648)
Amortization of drydock expenditures on in-chartered vessel	287	-	-	287
Amortization of deferred gain	(105)	-	-	(105)
Cash flow from vessel operations ⁽¹⁾	44,319	16,961	9,474	70,754

- (1) Cash flow from vessel operations represents income from vessel operations before depreciation and amortization expense, unrealized gains and losses from the change in fair value of certain foreign exchange forward contracts that do not qualify as effective hedges for accounting purposes that are included in vessel operating expenses or general and administrative expenses, and amortization of deferred gains. Cash flow from vessel operations is included because certain investors use this data to measure a company's financial performance. Cash flow from vessel operations is not required by United States generally accepted accounting principles and should not be considered as an alternative to net income or any other indicator of the Partnership's performance required by United States generally accepted accounting principles.

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TEEKAY OFFSHORE PARTNERS L.P.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES CONTINUED

(in thousands of U.S. dollars)

Three Months Ended June 30, 2008
(unaudited)

	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Voyage revenues	167,266	38,769	18,449	224,484
Voyage expenses	45,642	13,787	382	59,811
Net voyage revenues ⁽²⁾	121,624	24,982	18,067	164,673

Three Months Ended September 30,

2008

(unaudited)

2007

	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Voyage revenues	168,390	40,652	17,905	226,947	145,166	30,100	20,445	195,711
Voyage expenses	47,338	14,713	497	62,548	29,404	6,816	238	36,458
Net voyage revenues ⁽¹⁾	121,052	25,939	17,408	164,399	115,762	23,284	20,207	159,253

Nine Months Ended September 30,

2008

(unaudited)

2007

	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total	Shuttle Tanker Segment	Conventional Tanker Segment	FSO Segment	Total
Voyage revenues	488,715	114,248	53,400	656,363	437,794	102,748	40,683	581,225
Voyage expenses	131,533	40,976	1,227	173,736	81,299	25,969	584	107,852
Net voyage revenues ⁽¹⁾	357,182	73,272	52,173	482,627	356,495	76,779	40,099	473,373

- (1) Net voyage revenues represents voyage revenues less voyage expenses where voyage expenses is comprised of all expenses relating to certain voyages, including bunker fuel expenses, port fees, canal tolls and brokerage commissions. Net voyage revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies; however, it is not required by United States generally accepted accounting principles and should not be considered as an alternative to voyage revenues or any other indicator of the Partnership's performance required by United States generally accepted accounting principles.

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